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go into the country free of prejudice or set opinion. He will encounter one surprise after another, and in some instances he will be amazed to learn the progress Costa Rica has made in certain directions.

The people of the United States are now looking forward to the establishment of rural credit banks. There can be no doubt but that these institutions will exert a wonderful stimulus on agriculture in the United States. But the idea is not new to Costa Rica. Rural banks to aid the farmers in getting money under favorable conditions have been in operation for over a year. This system is under the management and control of the government, through the agency of the Banco Internacional. A mortgage department now is contemplated with a capital of 500,000 colones, or approximately \$200,000.

Practically every essential element favorable to the investment of capital may be found in Costa Rica. The money that is used in developing its resources must be invested with an eye to the future of the country, and not for quick exploitation and immediate return. A steadily increasing wave of resentment is becoming apparent in Latin America against the evanescent effects of the exploiter. The people realize their own deficiencies for want of money, and will go more than half-way to welcome and assist the honest, well-intentioned American capitalist. It would help greatly were the national debt refinanced in the United States.

CUBA

BY A. G. ROBINSON,

Washington, D. C.

We may safely assume that Cuba will want money in the immediate or early future, but a wide difference stands between wants and actual needs. There, as in other lands, the gratification of wants is limited by the ability to pay for them without an unwise stretch of borrowing power. In Cuba's case, a special limitation appears in that appendix to its Constitution, commonly known as the Platt Amendment, imposed by the United States at the time of the transfer of government to Cuban hands, in May, 1902. In Article II, that instrument declares:

That the Government of Cuba shall not assume or contract any public debt, to pay the interest upon which and to make reasonable sinking-fund provision for the ultimate discharge of which, the ordinary revenues of the Island, after defraying the current expenses of government, shall be inadequate.

Upon a Cuban Congress inclined to any substantial increase in Cuba's present national debt, the government of the United States would, in all probability, lay a restraining hand unless it was fully assured of Cuba's ready ability to carry out the provisions of this clause in its fundamental law. Many Cubans, like many Americans, want improved highways in the region of their particular interest. Many want new official buildings and schoolhouses. But the need of roads and public buildings is not, in most cases, imperative, and the exceptions should be met from the current revenues, now far greater than ever before in the history of the island.

Cuba's industrial enterprises are at present represented chiefly by the production of sugar and tobacco. An important part of the output in both lines is now controlled by American investors. Encouraged by the present enormous profits in the sugar-raising industry, due to the abnormal price enhancement caused by the suppression or derangement of a large part of the European beet sugar industry, an organization has recently bought established mills and plantations in the island, to the amount of approximately \$50,000,000 in actual cash. A large part of this was American money. More millions have been invested by other Americans in the improvement and extension of sugar properties already owned by them; in the purchase of mills from Cuban or other owners; and in the erection of new mills and the cultivation of new areas.

The percentages have been somewhat changed by the abnormal price of sugar, for the last two years, but the place held by that commodity in Cuba's industrial life, under normal conditions, is shown by the fact that it ordinarily represents nearly three-quarters of the total exports. Tobacco, in various forms, represents nearly one-fifth, and the remainder is accounted for by various products such as iron ore, copper ore, and manganese; by timber, animals and animal products, sponges, beeswax, and others. The iron deposits of the eastern part of the island, of American ownership, are certain to become of large importance. The railway systems, at present fairly meeting the needs of the country, are largely of British ownership.

In summary, it may be said that there appears no present prospect of important money demand from Cuba in the near future.